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CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE 22 June 1955

TO:

Deputy Director (Intelligence)

SUBJECT: Resignation of Italian Premier Scelba

The expected collapse of the Scelba government came about with the resignation of the premier on 22 June, the day before a scheduled vote of confidence in parliament. It has increased the possibility of general elections in 1956. With Scelba's Christian Democratic Party split down the middle by the refusal of its right wing to approve the cabinet reshuffle which the premier had agreed to as a condition for his continuance in office, the formation of a new government may be a long and difficult process. The chances are that a single-party Christian Democratic government relying on support from either the Monarchists on the right or the Nenni Socialists on the left will be formed.

The so-called "immobilism" of the sixteen-months old Scelba government, whose anti-Communist social reform and disciplinary program was blocked by disagreement among the elements making up the coalition, had caused increasing dissatisfaction in both the minor coalition parties and in the right and left wings of the premier's Christian Democratic Party. The revolt against Scelba began when the right and left wings of his party combined to defeat his candidate in the 28 April presidential elections. The disaffection of the minor coalition parties was increased by their losses in the 5 June Sicilian elections, which further reduced enthusiasm for continued participation in a Christian Democratic government.

Moreover, the fact that the Communist-Nenni Socialist group held its own in the Sicilian elections further discredited Scelba's anti-Communist campaign. The actual gains made by the Nenni Socialists have encouraged those Christian Democrats, including the recently elected President Gronchi, who believe in the necessity of securing a strong parliamentary majority by obtaining a working alliance with the Nenni Socialists. Nenni continues to offer to negotiate.

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As a result of the successful rightist maneuver in ousting Scelba, former Premier Pella, leader of the Christian Democrats' right wing, may be asked to form a government. Pella, who temporized with the Communists while he was prime minister, but relied also on Monarchist support, is capable of turning either to the rightist or leftist parties for support of a government.

The Christian Democrats' strong left wing, which is larger than the rightist grouping, would presumably refuse to support a move to the right by their party, which they believe can undercut the Communists only by undertaking a reform program such as has to date been blocked by the rightists. A Christian Democratic government based on rightist support would revive the Communists' popularity and would block the possibility of detaching the Nenni Socialists. Left-wing leader Fanfani

rightist or leftist parties. His attempt to get support from both resulted in failure to form a cabinet in 1954.

Besides these two, other leading Christian Democratic candidates are Budget Minister Vanoni, whom President Gronchi would probably prefer, former agriculture minister Segni, and party right-winger Gonella.

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